Second Amended Report

NOTE: Please photocopy both sides and retain for your files.

NOTICE OF INTENTION TO SOLICIT

To Appeal or Solicit for Charitable Purposes in the
UNINCORPORATED Areas of the COUNTY OF LOS ANGELES

BUSINESS LICENSE COMMISSION
374 Kenneth Hahn Hall of Administration
500 West Temple Street, Los Angeles CA 90012
Telephone: (213) 974-7691

ALL QUESTIONS MUST BE ANSWERED, PLEASE TYPE OR PRINT.

(Los Angeles County Code, Volume 3, Title 7, Chapter 7-24 requires that this Notice of Intention to be filed at least 30 days prior to beginning your solicitation or advertisement for your fund-raising activity. No advertisement or solicitation may begin until this office has issued an Information Card. "No" or "None" may be written where appropriate on this form. Additional Information may be added on separate sheets; however *do not* add separate sheets in lieu of answering the questions on this form.)

1. The Humane Society Wildlife Land Trust (Full Name of Organization) When organized: 02/04/1993
   Incorporated: 02/04/1993 Yes No
2. 1255 23rd Street, NW, Suite 450, Washington, DC 20037 (Address: Street, City and Zip Code) 202-452-1100 (Daytime Telephone)
3. G. Thomas Waite, III, 1255 23rd Street, NW, Suite 450, Washington, DC 20037 (Name of Person in Charge of Appeal -- Address and Zip Code) 301-258-3014 (Daytime Telephone)
   dsampson@humanesociety.org (E-mail Address)
4. TO CONDUCT OR SOLICIT: General Appeal
   (For annual solicitations indicate General Appeal or for a specific event include the name of the event)
5. WHERE and WHEN this fund-raising activity will be held: County-Wide (If specific event provide exact dates)
6. Solicitation/Advertisement starts When Issued (Specific date, or when issued); ends 12/31/2016 (Last day of specified event)
7. *SPECIFIC* Purpose of this Solicitation: Animal Protection and Advocacy Habitat Preservation and Enhancement
8. *ANTICIPATED* Gross Goal (Before deducting expenses): $ 2,600 (LOCAL) $ 121,000 (STATE) $ 860,000 (NATIONAL)
9. If this solicitation or activity is conducted on behalf of another organization, give its name and address and enclose a copy of a letter of authorization from organization(s). N/A
10. Solicitation/Advertisement to be made by means of (indicate by checking below):
    (✓) Volunteer Solicitors ( ) Box Office Sales ( ) Posters ( ) Bulletins
    (✓) Paid Solicitors ( ) Telephone ( ) Newspapers
    (✓) Personal Approach ( ) Radio/Television (✓) Mail
    Other methods (specify):
11. Admission: $ 0 Tickets 0 Invitations 0 No. Printed 0
    Numbered
    SPECIFY PER PERSON ☐
    PER COUPLE ☐
    Selling prices: (Ads, cookies, etc.) Cost of Carnival Tickets:
    Games: Rides:

76N617N2B -- PS 4-88

12. Itemized list of *ANTICIPATED* expenses to be incurred in conducting this solicitation <u>only:</u>

Salaries	400	Printing Advertisement	
Solicitors		Stationery/Postage	300
Managers		Prizes	
Promoters		Cost of Merchandise	
Other	700	Refreshments/Meals	
Rents		Miscellaneous:	
Music		(Specify)	
Telephone		**ANTICIPATED TOTAL**	$ 1,400

NOTE: *PLEASE BREAK ALL PERCENTAGES DOWN TO THE NEAREST TENTH.*

13. a. 54% Percent (anticipated) of gross contributions for expenses (divide gross goal --Item No. 8-- into expenses ---Item No. 12.---)
    b. 46% Percent (anticipated) of gross contributions to be used as specified in application (subtract percent for expenses --- 13. a. --- from 100%)
    c. 100% Percent of the proceeds to be used outside of Los Angeles County and specify where it will be used (If applicable)

14. I the signer of this Notice of Intention, attach hereto copies of the following as *required:*
    a. Articles of Incorporation and/or Bylaws of this organization (BOTH if group is incorporated)
    b. Names, Titles and Terms of Offices for two Officers of this organization
    c. Current Financial Statement (treasurer's report, audit, etc.)
    d. A statement of any and all agreements or understandings made or had with any agent, solicitor, promoter or manager of this solicitation, or a copy of such agreement or understanding, if it is in writing.
    e. Tax exemption certificate. State & Federal
    (Items a, b, c and e above must be submitted. If items c or d do not apply to your group, indicate "none")

I have read and understand the provisions of Los Angeles County Code, volume 3, Title 7, Chapter 7-24 and before authorizing any person to solicit, I will require the solicitor to read Sections 7-24-010 to 7-24-400 of said Ordinance.

Within 30 days after the completion of the solicitation, I will submit the Report of Results of Activity form to the Business License Commission, indicating all receipts and expenditures of this appeal/activity.

AN OFFICER OF THE ORGANIZATION MUST SIGN.

"I declare under penalty of perjury under the laws of the County of Los Angeles and the State of California that the foregoing is true and correct."

G. Thomas Waite, III — Treasurer — [signature] — 10/13/16
(Print Name: First, Last) (Title) (Signature) (Date)

1255 23rd Street, NW, Suite 450, Washington, DC 20037 — 301-258-3014
(Address: Street, City and Zip Code) (Daytime Telephone)

dsampson@humanesociety.org
(E-mail Address)

NON-COMPLIANCE WITH, OR VIOLATION OF, LOS ANGELES COUNTY CODE, VOLUME 3, TITLE 7, CHAPTER 7-24, IS A MISDEMEANOR PUNISHABLE BY A FINE OR IMPRISONMENT -- OR BOTH.

IMPORTANT REMINDER: A current list of officers and a current financial statement or audit must be sent at least once annually to keep your file updated. Other documents are not necessary unless they have new or additional information, or amendments.

Please give the name and telephone number of a person that we may contact for questions regarding the "NOTICE OF INTENTION" application.

Name: Stephen Urich, Labyrinth, Inc. Telephone No. 760-931-2620 ext. 111

Second Amended Report

PLEASE ENCLOSE ORIGINAL INFORMATION CARD __________, WHEN FILING THIS REPORT
DUE DATE: _______________
(No later than THIRTY (30) DAYS after last solicitation date)

REPORT OF RESULTS OF ACTIVITY CONDUCTED FOR A CHARITABLE PURPOSE

Fill in and Return to:

THE COUNTY OF LOS ANGELES
BUSINESS LICENSE COMMISSION
374 KENNETH HAHN HALL OF ADMINISTRATION
500 W. TEMPLE STREET,
LOS ANGELES, CA 90012
(213) 974-7691 Phone (213) 620-0636 Fax

READ CAREFULLY

Section 7.24.300 of the BUSINESS LICENSE ORDINANCE requires that you:

1. File this form with the BUSINESS LICENSE COMMISSION within 30 days after the close of the solicitation
2. Show all contributions resulting from the solicitation. Detail all expenses of the solicitation and show exactly how the contributions are, or will be, disbursed.
3. This form is to be signed by an officer of the organization
4. Indicate below, the organization, event, and dates as shown on your Information Card

---

The Humane Society Wildlife Land Trust
(Name of Organization)

1255 23rd Street, NW, Suite 450, Washington, DC 20037
(Address)

212-246-2096
(Telephone)

General Appeal
(State the Kind of Event or Solicitation Held)

____
(Information Card # - Enclose)

Event Held from: 01/01/2015 *(Beginning Date)* to 12/31/2015 *(End Date)*

GROSS RECEIPTS: (**BEFORE** deducting expenses)

Ticket Sales and/or Admission Charges	$
Amount received from general appeal for funds (door-to-door, mail, telephone, newspaper, etc)	$ 2,593
Returns from sale of merchandise (cookies, candy, refreshments, etc., and/or operation of concession booths)	$
If contributions other than funds were received, give their cash value	$
Sale of Advertising Space	$
Other Receipts	$
(Itemized) ________ $ ____	
________ $ ____	
________ $ ____	
________ $ ____	
________ $ ____	
________ $ ____	
Total	$ 2,593
Federal, State, and City Taxes	$
TOTAL RECEIPTS (LESS Federal, State, and City Taxes)	$ 2,593

(OVER)

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REPORT OF RESULTS OF ACTIVITY CONDUCTED FOR A CHARITABLE PURPOSE

INFORMATION CARD ___________

(CONTINUED FROM PAGE 1)

EXPENSES OF SOLICITATION OR ACTIVITY

Salaries, Wages, Commissions	$ 435
Remuneration to promoters and/or managers	$
Remuneration to entertainers, participants, or artists	$
Commission to any organization authorizing appearance of artists and / or entertainers	$
Music or Sound Equipment	$
Rental of auditorium, hall, buildings, storeroom, grounds, or other space	$
Rental or purchase of equipment, costumes, or uniforms	$
Food purchases (for luncheon, dinner, banquet, barbecue, etc.)	$
Disbursed for reservation charges (such as per-plate costs, etc.)	$
Cost of refreshments, novelties, etc. for resale	$
Prizes, decorations, or favors	$
Printing, postage, or stationary	$ 257
Publicity, advertising, telephone, radio or television time	$
Transportation	$ 34
Other expenditures	$ 696

(Itemized)

Fees for Service	$ 635
Information Technology	$ 3
Office Expenses, and Equipment	$ 20
Depreciation, Depletion, and Amortization	$ 2
Insurance	$ 2
RE, and Property Taxes	$ 14
Repairs, Maintenance, and Utilities	$ 21
	$
	$

TOTAL EXPENSES FOR SOLICITATION OR ACTIVITY .... $ 1,422

NET REMAINING FOR CHARITABLE PURPOSES .... $ 1,171

DISTRIBUTION OF FUNDS:
Furnish detailed information. If solicitation was in behalf of another organization or association, show its NAME, ADDRESS, and DATE funds were released and the AMOUNT:

Animal advocacy and protection through the creation of sanctuaries, and habitat preservation and enhancement

See attached for additional information

$ 1,171

THIS REPORT MUST BE SIGNED BY AN OFFICER OF THE ORGANIZATION

G. Thomas Waite, III
(PRINT NAME)

10/13/16
(DATE SUBMITTED)

X G. Thomas Waite III
(SIGNATURE OF OFFICER)

Treasurer
(TITLE)

1255 23rd Street, NW, Suite 450, Washington, DC 20037
(ADDRESS, CITY, STATE & ZIP)

PLEASE PRINT NAME, THEN SIGN

212-246-2096
(TELEPHONE)

Second Amended 2015 Report of Results of Activity
Conducted for a Charitable Purpose

The Humane Society Wildlife Land Trust

1255 23rd Street, NW, Suite 450
Washington, DC 20037
202-452-1100

ORGANIZATION

The Humane Society Wildlife Land Trust, formerly the Humane Society of the United States Wildlife Land Trust, was incorporated in the District of Columbia as a nonprofit corporation on February 4, 1993. On March 5, 2009 the name was changed to the Humane Society Wildlife Land Trust.

The Humane Society Wildlife Land Trust was granted an exemption from income tax under Section 501(c)(3) of the Internal Revenue Code effective February 4, 1993.

The Humane Society Wildlife Land Trust is an affiliated organization of the Humane Society of the United States and its financial statements are incorporated in the Consolidated Financial Statements and Supplemental Schedules of the Society for the Year Ended December 31, 2015.

PURPOSE OF THE ORGANIZATION

The Humane Society Wildlife Land Trust (HSWLT) was organized for the protection of wild animals and their habitats and the prevention of cruelty toward them. All habitats are protected from hunting and fishing of animals.

REPORT OF RESULTS OF ACTIVITY

We do not have the capacity to compute contributions received solely from the unincorporated area of Los Angeles County, however in order to complete the Report of Results of Activity for 2015 we pulled donor contributions in Los Angeles County and then multiplied that amount by the ratio of the population in unincorporated Los Angeles County, divided by the total population in all of Los Angeles County. All of our gross receipts in Los Angeles County are related to general appeals from those solicitation means as set forth in Item 10 of the Notice of Intention to Solicit.

Relative to expenses, we also have no way of determining what was spent in the unincorporated area of Los Angeles County, however, for the purpose of completing the Report of Results of Activity for 2015 we estimated these fundraising costs based on the population of the unincorporated area of Los Angeles County divided by the total United States population. This percentage was applied against our fundraising expenses, as reported on both our Tax Form 990, and the Society's Consolidated Financial Statements and Supplemental Schedules for the

Year Ended December 31, 2015 (Consolidating Schedule of Activities and Change in Net Assets).

DISTRIBUTION OF FUNDS

Per the Society's Consolidated Financial Statements and Supplemental Schedules for the Year Ended December 31, 2015 (Consolidating Schedule of Activities and Change in Net Assets), total program expenses for the HSWLT in 2015 were $3,488,077, fundraising expenses were $417,065, and total general and administrative expenses were $89,573.

The HSWLT seeks to preserve wild space for animals, throughout the United States, including within California. The HSWLT maintains a portfolio of 112 wildlife sanctuaries throughout the United States, properties on which wildlife habitat conservation values are protected. There are approximately 3,100 acres of land in the State of California. HSWLT staff members and volunteers conduct annual monitoring visits as part of the organization's perpetual obligation to protect these properties. The HSWLT also works in collaboration with other non-governmental organizations throughout the United States and abroad to promote its values of wildlife and habitat protection. Finally, The HSWLT educates the public about the importance of long-term wildlife habitat protection in the creation of a humane and sustainable world.

For the Distribution of Funds, we again don't have the capacity to compute the amount of funds solely used within the unincorporated area of Los Angeles County. However, we estimate that all of the reported expenses were used outside of the unincorporated area of Los Angeles County.

The Humane Society Wildlife Land Trust
1255 23rd Street, NW, Suite 450
Washington, DC 20037
202-452-1100
FAX 301-548-7767

Officers, Directors, Trustees, and Key Employees

Michaelen Barsness	Assistant Treasurer
Barbara U. Birdsey	Director
Ben Callison	President
Irene Crowe	Director
John W. Grandy	Vice Chair of the Board of Directors/Director
Holly Hazard	Director
Theresa S. McNulty	Assistant Secretary
Deborah L. Muse	Assistant Secretary
Wayne Pacelle	Director
Andrew N. Rowan	Chair of the Board of Directors/Director
Stephen W. Swartz	Secretary
G. Thomas Waite III	Treasurer/Director

All officers can be contacted at the address listed above

The Humane Society Wildlife Land Trust

1255 23rd Street, NW, Suite 450
Washington, DC 20037
202-452-1100
FAX 301-548-7767

Other States Registered:

State	Registration Number
Alabama	AL01-118
Alaska	
Arkansas	
California	CT0099441
Colorado	20053007440
Connecticut	CHR.0006838
District of Columbia	400216000053
Florida	CH5866
Georgia	CH003859
Hawaii	
Illinois	01-028,561
Kansas	227-695-4
Kentucky	449
Louisiana	
Maine	CO5248
Maryland	4192
Massachusetts	034133
Michigan	MICS 13110
Minnesota	
Mississippi	100000446
New Hampshire	5708
New Jersey	CH-10556-00
New Mexico	
New York	16-48-50
North Carolina	SL001296
North Dakota	10,851,300
Ohio	
Oklahoma	4300592082
Oregon	21232
Pennsylvania	13991
Rhode Island	CO.9600049
South Carolina	P2427
Tennessee	CO2610
Utah	6535792-CHAR
Virginia	
Washington	2177
West Virginia	
Wisconsin	5445-800

The Humane Society Wildlife Land Trust
2100 L Street, NW
Washington, DC 20037
202-452-1100
FAX 301-548-7767

PROFESSIONAL FUNDRAISING COUNSEL

The Humane Society Wildlife Land Trust has an agreement with a professional fundraising counsel to provide guidance in solicitation of charitable contributions to further its stated purpose. All funds are received directly by The Humane Society Wildlife Land Trust.

The Humane Society Wildlife Land Trust has an agreement with the following fundraising counsel:

MIND Set Direct, LLC
1700 N. Jefferson Street, Suite 200
Arlington, VA 22205
703-538-6463

Agreement period: 1/1/2015 - 12/31/2016

The Humane Society of the United States and Affiliates

Consolidated Financial Statements and Supplemental Schedules

Year Ended December 31, 2015

BDO

The Humane Society of the United States and Affiliates

Consolidated Financial Statements and Supplemental Schedules
Year Ended December 31, 2015

The Humane Society of the United States and Affiliates

Contents

BDO

Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive, Suite 800
McLean, VA 22102

Independent Auditor's Report

Board of Directors
The Humane Society of the United States
Washington, D.C.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Humane Society of the United States and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2015, and the related consolidated statement of activities and change in net assets, statement of functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Humane Society of the United States and Affiliates as of December 31, 2015, and the change in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The 2014 consolidated financial statements of The Society, before restatement for the matter described below, were audited by another audit firm. Their report, dated June 3, 2015, expressed an unmodified opinion on those consolidated statements.

As described in Note 22, The Society has restated its 2014 consolidated financial statements to properly reflect the release of net assets that occurred prior to the year ended December 31, 2015. Our opinion on the 2015 consolidated financial statements is not modified with respect to this matter.

As part of our audit of the 2015 consolidated financial statements, we also audited the adjustment described in Note 22 that was applied to restate the opening net assets balances in the 2015 consolidated financial statements. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the 2014 consolidated financial statements of The Society other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2014 consolidated financial statements as a whole.

BDO USA, LLP

June 1, 2016

Consolidated
Financial Statements

The Humane Society of the United States and Affiliates

Consolidated Balance Sheet

As of December 31,	2015
As of December 31, 2015	
Cash and Cash Equivalents	$ 13,543,337
Investments	209,553,308
Investments to Fund Deferred Compensation Liability	307,802
Accrued Interest Receivable	113,946
Prepaid Expenses and Other Assets	2,087,927
Contributions, Bequests and Other Receivables, net	22,220,655
Property and Equipment, net	30,777,331
Total assets	$ 278,604,306
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	$ 16,219,660
Annuities and unitrusts	10,451,683
Line of credit	8,502,312
Accrued severance obligation	1,234,595
Deferred compensation liability	307,802
Accrued retirement benefit obligation	9,167,024
Annuities and unitrusts	45,883,076
Realized and unrealized (losses)	
Change in net assets before annuity and pension	
Unrestricted	
Board designated	79,590,921
Undesignated	75,887,676
	155,478,597
Temporarily restricted	46,502,429
Permanently restricted	30,740,204
Net assets, December 31, 2015	
Total net assets	232,721,230
Total liabilities and net assets	$ 278,604,306

See Notes to Consolidated Financial Statements.

The Humane Society of the United States And Affiliates

Consolidated Statement of Activities and Changes in Net Assets

As of December 31, 2015	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Contributions	$ 116,383,160	$ 43,347,773	$ -	$ 159,730,933
Bequests	22,261,927	5,265,827	-	27,527,754
Interest and dividends	1,788,706	121,646	-	1,910,352
Royalty income	1,372,904	16,389	-	1,389,293
Event income	2,068,152	231,438	-	2,299,590
Other income	1,184,038	179,404	-	1,363,442
Net assets released from restrictions	43,518,885	(43,493,885)	(25,000)	-
Total support and revenue	188,577,772	5,668,592	(25,000)	194,221,364
Expenses				
Program services	152,819,600	-		152,819,600
Management and general	4,906,029	-	-	4,906,029
Fundraising	33,321,480	-	-	33,321,480
Total expenses	191,047,109	-	-	191,047,109
Change in net assets from operations	(2,469,337)	5,668,592	(25,000)	3,174,255
Annuities and unitrusts				
Investments, net	(6,388,273)	(274,197)	-	(6,662,470)
Realized and unrealized (losses)	(6,388,273)	(274,197)	-	(6,662,470)
Change in net assets before annuity and pension and retirement benefits adjustment	(8,857,610)	5,394,395	(25,000)	(3,488,215)
Annuity liability change in valuation	(2,364,881)	(60,275)		(2,425,156)
Pension benefits	5,068,519	-	-	5,068,519
Change in net assets	(6,153,972)	5,334,120	(25,000)	(844,852)
Net assets, January 1, 2015				
Net assets, December 31, 2015	161,632,569	41,168,309	30,765,204	233,566,082
Net assets, December 31, 2015	$ 155,478,597	$ 46,502,429	$ 30,740,204	$ 232,721,230

See Notes to Consolidated Financial Statements.

The Humane Society of the United States

Statement of Functional Expenses

As of December 31, 2015	Program Expenses: Direct Care	Public Policy	Corporate Policy	Education	Total Program	Management and General	Fundraising	Total
Expenditures								
Salaries	$ 10,600,572	$ 11,047,119	$ 2,092,065	$ 12,874,752	$ 36,614,508	$ 715,489	$ 3,296,825	$ 40,626,822
Employee benefits	2,808,548	2,970,306	543,405	3,410,663	9,732,922	200,640	852,273	10,785,835
Total compensation	13,409,120	14,017,425	2,635,470	16,285,415	46,347,430	916,129	4,149,098	51,412,657
	-	-	-	-	-	-	-	-
Education material, publications and campaigns	14,399,790	5,914,273	3,197,713	23,218,813	46,730,589	421,147	5,512,872	52,664,608
Mailing costs	3,675,452	4,266,073	666,871	4,845,220	13,453,616	879,452	15,808,188	30,141,256
Consultant and contracted services	6,366,030	4,616,096	1,228,419	7,664,851	19,875,396	442,731	3,553,760	23,871,887
Professional fees	726,260	3,021,641	114,506	593,125	4,455,532	117,237	344,515	4,917,284
Contributions and grants	1,193,311	2,256,708	919,319	1,833,610	6,202,948	-	-	6,202,948
Travel and events	1,553,075	1,436,552	445,089	1,835,180	5,269,896	37,434	435,018	5,742,348
Supplies and field expenses	2,584,945	587,349	210,213	937,155	4,319,662	97,424	286,633	4,703,719
Bank and trustee fees	-	-	-	-	-	902,618	2,661,649	3,564,267
Foreign currency	-	-	-	-	-	163,064	-	163,064
Occupancy and building expense	1,342,882	342,690	96,737	506,918	2,289,227	147,323	209,230	2,645,780
Depreciation and amortization	346,143	110,642	64,278	172,852	693,915	658,714	60,085	1,412,714
Postage and shipping	98,001	74,793	27,575	1,115,028	1,315,397	4,496	36,815	1,356,708
Telephone	207,271	221,367	42,192	244,019	714,849	15,716	49,649	780,214
Insurance and bonds	343,137	221,409	56,911	293,377	914,834	68,923	180,843	1,164,600
Annuities and unitrusts	105,729	88,225	8,118	34,237	236,309	33,621	33,125	303,055
Realized and unrealized (losses)	$ 46,351,146	$ 37,175,243	$ 9,713,411	$ 59,579,800	$ 152,819,600	$ 4,906,029	$ 33,321,480	$ 191,047,109

See Notes to Consolidated Financial Statements.

The Humane Society of the United States and Affiliates

Consolidated Statement of Cash Flows

Year Ended December 31,		2015
As of December 31, 2015		
Change in net assets	$	(844,852)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase in allowance for uncollectible contributions and bequests		819,105
Bad debt expense		1,657,300
Change in discount on multi-year contributions and bequests		113,610
Depreciation and amortization		1,412,714
Gain on sale of property and equipment		(900)
Net realized and unrealized loss on investments		6,662,470
Donated stock		(19,005,901)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accrued interest receivable		21,564
Prepaid expenses and other assets		(222,689)
Contributions, bequests, and other receivables, gross		(5,065,843)
Increase (decrease) in:		
Accounts payable and accrued expenses		1,383,725
Annuities and unitrusts		2,096,271
Accrued severance obligation		(180,413)
Accrued postretirement benefit obligation		(4,659,147)
Annuities and unitrusts		**(15,812,986)**
Realized and unrealized (losses)		
Proceeds from property sold		
Change in net assets before annuity and pension		63,497,604
Purchase of investments		(56,210,562)
Purchases of property and equipment		(3,156,078)
Net cash provided by investing activities		**4,130,964**
Cash flows from financing activities:		
Borrowing on line of credit		8,502,312
Net assets, December 31, 2015		8,502,312
Net (decrease) in cash and cash equivalents		(3,179,710)
Cash and Cash Equivalents		
Beginning of year		16,723,047
End of year	$	13,543,337
Supplemental Schedules of Noncash Investing and Financing Activities		
Donated stock	$	19,005,901

See Notes to Consolidated Financial Statements.

1. The Organization and Summary of Significant Accounting Policies

The Humane Society of the United States and Affiliates (collectively, The Society) is a not-for-profit organization whose primary purpose is the worldwide advancement of humane treatment of animals through public education, awareness, and direct animal care programs. The accompanying consolidated financial statements include the activities of the following entities:

The Humane Society of the United States (The HSUS)

The HSUS seeks to prevent and bring an end to animal cruelty to animals in all of its forms, and to celebrate and strengthen the human-animal bond.

Doris Day Animal League (DDAL)

DDAL, founded in 1987 by the legendary actress and animal advocate, Doris Day, is a national not-for-profit, citizen's lobbying organization working for the humane treatment of animals.

The Fund for Animals (FFA)

FFA has been responsible for most HSUS animal care facilities since 2005, including the Cleveland Amory Black Beauty Ranch in Texas, the Cape Wildlife Center in Massachusetts, the Duchess Sanctuary in Oregon, and the Fund for Animals Wildlife Center in California. These facilities focus on rehabilitation, release and hands-on care and rescue of injured, orphaned, and abandoned animals, as well as promoting the humane treatment of all animals and the prevention of cruelty through education and advocacy.

Humane Society International, Inc. (HSI)

HSI, founded in 1991, seeks to educate audiences worldwide about compassion toward animals, carry out direct animal care, rescue and disaster response; provide technical and scientific support to local partners; and to increase the priority given worldwide to animal protection issues by policy-makers, industry, and civil society. HSI also encompasses the below related entities throughout the world:

- Humane Society International (UK)
- Humane Society International Latin America
- Humane Society International/ Canada
- Friends of Humane Society International for the Protection and Conservation of Animals
- Humane Society International: India
- Humane Society International - Europe
- Humane Society International Mexico

Humane Society University (HSU)

HSU, incorporated in 2008, is a private, non-profit university that manages the higher education and professional training divisions of The HSUS. HSU promotes a more humane world for people and animals through higher education of students and advancement of knowledge in areas related to animal protections and animal welfare. HSU offers onsite and online undergraduate and graduate degrees and graduate certificates.

In 2013, HSU determined that its business model is not sustainable and ceased marketing and admission efforts. HSU is teaching out its existing students and will do so until the final student completes his/her degree in 2016.

Humane Society Veterinarians Medical Association (HSVMA)

The HSVMA, incorporated in 1982, promotes and provides veterinary leadership in animal advocacy, public education and direct care to aid animals in need.

South Florida Wildlife Center, Inc. (SFWC)

SFWC, incorporated in 1969, helps animals in the South Florida's tri-county region of Palm Beach, Broward and Miami-Dade counties. SFWC rescues, rehabilitates, and releases harmed or displaced wildlife; treats and places domestic and exotic animals in need; and teaches the public about living alongside our wild neighbors.

Humane Society Wildlife Land Trust (HSWLT)

HSWLT, founded in 1993, protects wild animals by creating permanent sanctuaries, preserving and enhancing natural habitat, and confronting cruelty.

Project Chimps (PC)

Project Chimps, incorporated in 2014, provides sanctuary and advocacy for chimpanzees.

The significant policies followed by The Society are described below.

Basis of accounting

The accompanying consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP) of America.

Principles of consolidation

The consolidated financial statements include the accounts of Humane Society of the United States, Doris Day Animal League, the Fund for Animals, Humane Society International, Inc. and its related international entities, Humane Society University, Humane Society Veterinarians Medical Association, South Florida Wildlife Center, Inc., the Humane Society Wildlife Land Trust, and Project Chimps. All significant inter-organizational balances and transactions have been eliminated in consolidation.

Basis of presentation

The Society follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification ("ASC") ASC 958-605 *Not-for-profit Entities - Presentation of Financial Statements*. The Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting year. Actual results could differ from estimates under different assumptions and conditions.

Revenue recognition

Contribution revenue

The Society recognizes revenue in accordance with FASB ASC 958-605 *Not-for-profit Entities - Revenue Recognition.*

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period, or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Temporarily restricted contributions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as unrestricted contributions.

Contributions are recorded at fair value, which is net of estimated uncollectible amounts. The Society uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, including multi-year pledges and split interest agreements, to be received after one year, are recorded at the present value of the estimated future cash flows. Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years. Revenue under charitable gift annuity arrangements is reduced by the estimated annuities to be paid by The Society over the beneficiary's lifetime. Irrevocable split-interest agreements, including charitable remainder trusts, charitable lead trusts and perpetual trusts, are recorded as revenue when the trust agreements become irrevocable.

Conditional promises to give, including those received under multi-year grant agreements, are recognized as revenue when the conditions on which they depend have been substantially met.

Bequest revenue

The Society is the beneficiary under various wills. Legacy and bequest income is recognized when The Society has an irrevocable right to the gift and the proceeds are readily measurable.

Individual unrestricted bequests in excess of $25,000 are recognized as revenue in the undesignated net assets at the rate of 20% and in the board designated investment fund net assets at the rate of 80% in the year of receipt. The 80% reported as revenue in the board designated net assets is transferred to the undesignated net assets equally over the following four years. The effect of this policy is to apportion individual bequests to the undesignated net assets over a five-year period. This policy applies only to The Humane Society of the United States entity.

In-kind contributions

The Society recognizes in-kind revenue in accordance with FASB ASC 958-605-25-16 *Not-for-profit Entities - Revenue Recognition - Contributions Received - Contributed Services*. Contributed services and in-kind contributions are recognized if they create or enhance non-financial assets or require specialized skills and would need to be purchased if not provided by donation.

The Society produces and distributes public service television, radio, and newspaper announcements that focus attention on Companion Animal and Wildlife issues. These public service announcements (PSAs) are distributed to radio stations and newspapers nationwide and presented free of charge. The Society has contracted with an independent outside agency to track the date and time that each PSA is presented. The estimated value of the PSA and related placement is based on the date, time, and market of the placement. For the year ended December 31, 2015, The Society recorded $31,235,751 of contributed PSAs and other advertising related expenses. These amounts are recorded in contributions revenue and program expenses in the financial statements.

The Society also receives donations of in-kind services, as well as donations of equipment and supplies in the daily operations of its programs. For the year ended December 31, 2015, The Society received $2,625,874 in donated services and $924,162 in donated equipment and supplies. These amounts are recorded in contributions revenue and program expenses in the financial statements.

Event income

Registration and exhibit fees are recognized upon completion of the related event.

Other revenue

Other revenues are recognized when earned.

Cash and cash equivalents

Cash and cash equivalents include all short-term, highly liquid instruments purchased with an original maturity of three months or less. At December 31, 2015, cash and cash equivalents consisted of checking accounts and depository accounts.

Investments

The Society records investments in accordance with FASB ASC 958-320 *Not-for-profit Entities - Investments*. The Society records investments at fair value. Interest and dividend income is accounted for on the accrual basis. Gains and losses on investments, including changes in market value, are reported in the consolidated statement of activities and change in net assets as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by donor stipulation.

Investments in hedge funds, fund of funds, partnerships, and private equity funds are valued at net asset value, which estimates fair value. The funds value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the funds, which may include private placements and other securities for which prices are not readily available, are determined by the management of the respective fund and may not reflect amounts that could be realized upon immediate sale nor amounts that could be ultimately realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of The Society's investments in hedge funds, fund of funds, partnerships, and private equity funds generally represents the amount The Society would expect to receive if it were to liquidate its investments in the funds, excluding any redemption charges that may apply.

Contributions and bequests receivable

Contributions and bequests receivable are carried at original amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a quarterly basis and discounts for any long term receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The provision for doubtful accounts was $808,897 at December 31, 2015. Total bad debt expense was $1,657,300 for the year ended December 31, 2015.

Property and equipment

Property and equipment with a cost of $5,000 or more are capitalized. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment is retired, or otherwise disposed of, the cost and accumulated depreciation and amortization is removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Donated property is recorded at fair value at the time of donation. Improvements to property and equipment that extend the useful lives of the assets are also capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from (i) 10 to 40 years for building and improvements, and (ii) up to 5 years for automobiles, and office furniture and equipment. Depreciation is not calculated on land and construction-in-progress.

Charitable gift annuities

The Society records charitable gift annuities in accordance with FASB ASC 958-30 *Not-for-profit Entities - Split Interest Agreements*. Annuity obligations arising from split-interest gifts are recognized as charitable gift annuities in the accompanying consolidated statements of financial position. The initial liabilities resulting from these gifts are measured at fair value using the present value of the future payments to be made to beneficiaries. These liabilities are subsequently remeasured at the present value of future payments to beneficiaries based on changes in life expectancy and other actuarial assumptions. The Society holds the underlying annuity assets in a separate investment account.

Net assets

The Society classifies its net assets into the three categories: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets - undesignated

Unrestricted net assets are those net assets that are not subject to donor-imposed stipulations or board designations.

Unrestricted net assets - board-designated

The Society's board of directors has set aside unrestricted amounts received from various donors as board-designated fund assets, and has implemented an investment policy that includes an annual discretionary transfer of amounts to undesignated net assets to support operations.

Temporarily restricted net assets

Temporarily restricted net assets generally result from net contributions and other inflows of assets whose use by The Society is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and the restriction removed by actions of The Society pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statements of activities as net assets released from restrictions. Temporarily restricted contributions with restrictions that are fulfilled in the same fiscal year that contributions are received are reported in the accompanying consolidates statements of activities and change in net assets as unrestricted contributions.

Permanently restricted net assets

Permanently restricted net assets generally result from contributions and other inflows of assets whose use by The Society is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by The Society. Generally, the donors of these assets permit The Society to use the income earned on related investments for general or specific purposes.

Tax status

The HSUS, FFA, HSI, HSU, HSVMA, SFWC, HSWLT, and PC qualify under Section 501(c)(3) of the Internal Revenue Code (IRC) and are classified as organizations that are not private foundations. DDAL qualifies under Section 501(c)(4) of the IRC. Therefore, The Society is generally not subject to tax under present income tax laws; however, any unrelated business income may be subject to federal and state income taxes. The Society had no net unrelated business income for the year ended December 31, 2015.

Humane Society International (UK) is a company limited by guarantee, registered in England and Wales, and a registered charity. The organization was incorporated on December 5, 2002 and was registered as a charity on August 11, 2003.

Humane Society International Latin America is an association, registered in San Jose, Costa Rica. The organization was incorporated on February 2, 2004.

Humane Society International / Canada was incorporated on September 14, 2005 under the Canada Corporations Act as a corporation without share capital. The organization is continued under the Canada Not-for-profit Act and is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

Friends of Humane Society International for the Protection and Conservation of Animals was incorporated on October 6, 2005 under the Canada Corporations Act as a corporation without share capital. The organization is continued under the Canada Not-for-profit Act and is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

Humane Society International: India was incorporated on October 23, 2012 under Section 25 of the Companies Act (India), 1956 (No. 1 of 1956) and the company is private limited.

Humane Society International Europe is an association without lucrative purpose governed by the Act of June 27, 1921 (Belgium) incorporated in Belgium on May 16, 2014.

Humane Society International Mexico is a Civil Association incorporated in Mexico on July 30, 2015.

In accordance with FASB ASC 740 *Income Taxes*, The Society recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. With few exceptions, The Society is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years ended December 31, 2012 and prior. Management has evaluated The Society's tax positions and has concluded that The Society has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

Donated securities

Donated securities are reported at their fair value as of the date of donation. Sales are reflected on a trade-date basis.

Operations

Operating revenues and expenses include all transactions which increase or decrease net assets except those associated with net investment return and pension costs. Pension costs, since the freezing of the pension plan in December 2015, have been excluded from operating expenses.

Valuation of long-lived assets

The Society reviews the valuation of its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No indicators of impairment were identified as of December 31, 2015.

Functional allocation of expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditure classifications. Certain costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific function, but which provide for the overall support and direction of The Society.

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, annuities and unitrusts, and accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. Investments are stated at fair value.

Humane Society University

In December 2013, The Society made the determination that it was no longer practical to continue to operate Humane Society University (HSU) due to increased regulations related to online learning opportunities, shortfalls in growth expectation and shortfalls in revenue. The Society has outlined a plan for individuals currently enrolled in classes at HSU to complete their degree programs. HSU is expected to remain open in a limited capacity through 2017.

Concentrations of credit risk

The Society's assets that are exposed to credit risk consist primarily of cash and cash equivalents; investments; and contributions, bequests and other receivables. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits.

The Society has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at December, 2015 approximate $4.3 million. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the consolidated statement of financial position. The Society's contributions, bequests and other receivables balance consists primarily of amounts due from individuals and corporations. Historically, The Society has not experienced significant losses related to the bequests and contributions receivable balances and, therefore, believes that the credit risk related to them is minimal.

The Society records foreign currency translation in accordance with FASB ASC 830 *Foreign Currency Matters*. The financial statements and transactions of various international subsidiaries are generally maintained in the respective local currencies. For the consolidated financial statements, foreign entities' assets and liabilities are translated at exchange rates in effect as of the date of the consolidated statement of financial position. Revenue and expenses are translated at the exchange rates in effect at the end of the reporting period, which approximates translation at the average exchange rate during each period. Translation adjustments, which result from the process of translating the consolidated financial statements into U.S. dollars, are accumulated in unrestricted net assets. Gains and losses from foreign currency transactions are included in the consolidated statements of activities as change in net assets in the period in which they are realized.

Recently adopted authoritative guidance

In May 2015, the FASB issued ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07). ASU 2015-07 removes the requirement to include investments in the fair value hierarchy for which fair value is measured using the net asset value (NAV) per share practical expedient under ASC 820. ASU 2015-07 is effective for fiscal year-ends beginning after December 15, 2016 with early adoption permitted. The Society elected to early adopt this new guidance and the updated disclosures are included in the accompanying consolidated financial statement disclosures (See Note 18). The adoption of this guidance had no impact on The Society's consolidated financial statements, other than as described in Note 18.

Recent accounting pronouncements not yet adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This update supersedes previously issued guidance on revenue recognition and will apply to virtually all industries. The core principle of this new guidance is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies the performance obligation. The new standard will be effective for nonpublic entities for annual reporting periods beginning after December 15, 2018. The Society is evaluating the effect that adoption of this new standard will have on The Society's consolidated financial statements.

In April 2015, the FASB issued ASU 2015-04, *Compensation- Retirement Benefits (Topic 715): Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets.* ASU 2015-04 introduces a practical expedient for measuring defined benefit plan assets and benefit obligations. Under the expedient, if an employer's fiscal year-end does not coincide with a month-end, the employer may measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end. An employer making the election will be required to adjust the fair value of the plan assets and obligations for any contribution or other significant event caused by the employer (e.g., amendment, settlement, or curtailment that calls for a remeasurement) that occurs between the measurement date and the employer's fiscal year-end. However, an employer does not need to adjust the fair value of individual classes of assets for a contribution occurring between the measurement date and the employer's fiscal year-end; the employer should simply disclose the amount of the contribution. The amendments create a similar practical expedient for interim events. If a significant event occurs during an interim period which calls for a remeasurement of defined benefit plan assets and obligations (e.g., partial settlement), the employer may remeasure defined benefit plan assets and obligations using the month-end that is closest to the date of the significant event. The amendments are effective for nonpublic entities for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments must be applied prospectively. Early adoption is permitted. The Society is evaluating the effect that adoption of this new standard will have on The Society's consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall* (Subtopic 825-10). This update requires an entity to: (i) measure equity investments at fair value through net income, with certain exceptions; (ii) present in other comprehensive income ("OCI") the changes in instrument-specific credit risk for financial liabilities measured using the fair value option; (iii) present financial assets and financial liabilities by measurement category and form of financial asset; (iv) calculate the fair value of financial instruments for disclosure purposes based on an exit price and; (v) assess a valuation allowance on deferred tax assets related to unrealized losses of available for sale ("AFS") debt securities in combination with other deferred tax assets. The Update provides an election to subsequently measure certain nonmarketable equity investments at cost less any impairment and adjusted for certain observable price changes. The Update also requires a qualitative impairment assessment of such equity investments and amends certain fair value disclosure requirements. The new standard will be effective for nonpublic entities for annual reporting periods beginning after December 15, 2018. Early adoption is only permitted for the provision related to instrument-specific credit risk and the fair value disclosure exemption provided to nonpublic entities. The Society is evaluating the effect that adoption of this new standard will have on The Society's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. The Society is evaluating the effect that adoption of this new standard will have on The Society's consolidated financial statements.

2. Investment Income

Investment income (loss) is comprised of the following for the year ended December 31, 2015:

Net unrealized (losses)	$ (9,489,373)
Net realized gains	2,826,903
Dividends and interest	1,910,352
Less: investment management fees	(367,942)
	$ (5,120,060)

3. Contributions, Bequests and Other Receivables

Contributions, bequests, and other receivables consist of the following at December 31, 2015:

Bequests	$ 9,037,297
Contributions and other receivables	9,743,655
60th Anniversary campaign	2,076,675
Grants	2,295,743
	23,153,370
Less: allowance for uncollectible contributions, bequests and anniversary campaign (5.1%, 6.4% and 10.6% respectfully)	(819,105)
Less: discount on multi-year contributions and bequests (0.38%)	(113,610)
Total contributions, bequests and other receivables, net	$ 22,220,655

Gross contributions, bequests and other receivables are expected to be collected in:

Less than one year	$ 18,781,050
One to five years	4,372,320
	$ 23,153,370

4. Property and Equipment

Property and equipment consists of the following at December 31, 2015:

Land	$ 18,345,942
Buildings and improvements	21,810,037
Office furniture and equipment	3,863,956
Automobiles	2,260,522
Construction-in-progress	856,274
Less: accumulated depreciation and amortization	(16,359,400)
	$ 30,777,331

Depreciation and amortization expense totaled $1,412,714 for the year ended December 31, 2015.

5. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at December 31, 2015:

Accounts payable	$ 8,936,718
Accrued vacation	2,285,185
Accrued wages	1,737,384
Other accrued expenses	3,260,373
	$ 16,219,660

6. Annuities and Unitrusts

The annuities and unitrusts liability represents the future annuity payments due under charitable gift annuities and charitable remainder unitrusts determined by an actuary.

For charitable gift annuities, donors make contributions to The Society, for which they receive an annuity from The Society. Contributions revenue is recognized as the excess of the fair value of assets received over the net present value of the future annuity payments due. The liability was determined by an actuary using the Annuity Table of Mortality IAR-2015 and assumed interest rates of 1.0% to 10.2%. A portion of the monies received from these split-interest agreements is required by law to be reserved for making the annuity payments. At December 31, 2015, the actuarial calculated liability was $9,784,942, resulting in a change in the liability of $2,425,156 in for the year ended December 31, 2015. The significant increase in the liability resulted from a change in the mortality tables that were used to calculate this liability.

For charitable remainder unitrusts, donors make contributions to trusts which provide an income stream to the donor until a stipulated event, at which time the remaining account balance conveys to The Society. The gifts are valued at their fair market value at the time of the gift. In consideration of the gifts, donors receive an annuity from the trust based on the lesser of (a) the trust principal multiplied by a stated interest rate or (b) the actual earnings of the trust. The future liability was calculated using assumed interest rates of 5.0% to 11.6%. At December 31, 2015, the amount of assets held in charitable unitrusts, which is restricted for the payment of related annuities, was $679,697. The net assets of the trusts of $726,311 are included in temporarily restricted net assets in the accompanying consolidated balance sheet.

7. Severance Plan (Employment Longevity Retirement Enhancement Benefit)

The Society established The Humane Society of the United States Severance Pay Plan (Severance Pay Plan) on September 13, 1997, to grant severance benefits to eligible employees. These benefits and related expenses are paid from the general assets of The Society. Only employees hired in full-time or part-time positions before January 1, 1998, who have completed a minimum of 15 years of continuous full-time employment with The HSUS, are eligible to become participants in the Severance Pay Plan. Upon termination of employment (for reasons other than gross misconduct), a participant receives a lump sum equal to 2% of the average of his or her annual base salary for the three calendar years before cessation of employment, multiplied by the number of years of continuous full-time employment accrued by the employee, subject to a maximum benefit of two years base salary. The benefit obligation of the Severance Pay Plan as of December 31, 2015, was calculated by an actuary, based on a census provided by The Society, using an assumed discount rate of 3.41%. There was no assumed compensation increase. The amount of the liability related to the Severance Pay Plan was $1,234,595.

8. Deferred Compensation Plan

In 1983, The Society established The Humane Society of the United States Deferred Compensation Plan (Defined Compensation Plan) for certain executive employees. The Society and the participants may elect to defer a portion of the compensation that the participants would otherwise be entitled to receive in cash, and those deferrals are invested in various mutual funds. The mutual funds are owned by The Society, subject to the claims of its general creditors. The obligation of The Society under the Defined Compensation Plan is purely contractual and is not secured. All income earned by the mutual funds is added to the deferred compensation liability. The amounts deferred by participants of the Defined Compensation Plan during the year ended December 31, 2015, which were included in the amounts reported in the accompanying consolidated financial statements as salaries, totaled $18,000.

The Deferred Compensation Plan assets and the related liability totaled $307,802 at December 31, 2015.

9. Retirement Plans

Pension

The Humane Society of the United States Pension Plan (the Pension Plan) is a qualified participating defined benefit plan that provides regular employees of The Society benefits equal to 2% of earnings for each year of credited service, up to a maximum of 25 years. Participants accrue benefits over the years of their employment, although normal pension benefits are not payable until age 65. Participants choosing earlier payment receive substantially reduced benefits. Effective December 31, 2007, any employees hired on or after January 1, 2008, are not eligible to participate in the Pension Plan.

The following table summarizes the pension benefit obligation, the fair value of Pension Plan assets, and the funded status of the Pension Plan at December 31, 2015:

Change in pension benefit obligation	
Benefit obligation, beginning of year	$ 45,948,508
Service cost	1,605,820
Interest cost	1,683,086
Participant contributions	192,665
Benefit payments	(2,128,989)
Administrative expenses	(8,539)
Actuarial loss	(845,460)
Plan amendments	(6,034,930)
Benefit obligation, end of year	$ 40,412,161
Change in plan assets	
Fair value of Pension Plan assets, beginning of year	$ 32,099,159
Employer contributions	2,216,707
Participant contributions	192,665
Benefit payments	(2,128,989)
Administrative expenses	(8,539)
Actual return on Pension Plan assets	(1,125,884)
Fair value of Pension Plan assets, end of year	$ 31,245,119
Funded status of Pension Plan, end of year	$ (9,167,024)

The following table provides the components of net periodic pension cost for year ended December 31, 2015:

Service cost on projected benefit obligation	$ 1,628,980
Interest cost on projected benefit obligation	1,683,086
Expected return on plan assets	(2,153,432)
Amortization of unrecognized loss	1,467,445
Net periodic pension cost	$ 2,626,079

The Pension Plan had an accumulated benefit obligation of $40,435,321 as of December 31, 2015. The accumulated benefit obligation is identical to the pension benefit obligation, with the exception that the accumulated benefit obligation does not consider the effects of future compensation levels.

Amounts reducing net assets at December 31, 2015, not yet reported as net periodic benefit cost (expense), are $9,167,024. The Society expects to amortize $966,076 of the net loss into net periodic benefit cost in 2016.

The following assumptions were used by the actuary in determining The Society's Pension Plan benefit obligation as of December 31, 2015:

Long-term rate of investment return	6.75%
Discount rate for net cost	3.82%
Weighted-average discount rate for benefit obligations	4.02%

The basis for the expected long-term rate of return on Pension Plan assets for the year is based on a five-year rolling average of actual investment returns realized, further adjusted for anticipated future rates of return.

Expected cash flow information for the years after the current fiscal year is as follows:

Expected employer contributions	$ 2,400,000
Year 1 expected benefit payments	4,347,884
Year 2 expected benefit payments	3,322,984
Year 3 expected benefit payments	3,312,820
Year 4 expected benefit payments	2,535,404
Year 5 expected benefit payments	2,709,740
Years 6-10 expected benefit payments	11,583,667

See Note 21 for information on the fair value of the Pension Plan assets.

On September 26, 2015, The HSUS's Board of Directors resolved to fully freeze the Pension Plan effective December 31, 2015. No additional benefits will accrue under the Pension Plan after that date. All participates became fully eligible to participate in the 401(k) Plan effective on the freeze date and all participants were deemed eligible for the maximum fixed contribution for the 401(k) Plan effective on the freeze date.

Defined contribution

The Society adopted The Humane Society of the United States 401(k) Savings Plan (the 401(k) Plan), a defined contribution retirement plan qualified under Sections 401(k) and 402(a) of the IRC, as amended, effective January 1, 2008. Employees hired on or after January 1, 2008, are eligible to participate in the 401(k) Plan on an automatic enrollment basis. Employees hired prior to January 1, 2008, who have not attained age 50 by December 31, 2007, can elect to waive coverage in The Humane Society of the United States Pension Plan on an irrevocable basis and will then be eligible to participate in the 401(k) Plan.

Eligible participants are automatically enrolled to contribute 3% of pay their first year. This amount is automatically increased by 1% until a 6% salary deferral is achieved. Participants may elect to contribute higher amounts, up to 80% of pay, subject to annual dollar limitations.

The Society will make a matching contribution each pay period. The Society makes matching contributions at a rate of 100% of the first 1% of the participant's salary deferred into the 401(k) Plan and 50% of the next 5% of the participant's salary deferral.

The Society will make an annual fixed contribution for all eligible participants employed on the last day of the 401(k) Plan year, based on years of service, up to 6% of compensation. The Society contributed $827,235 to the 401(k) Plan during the year ended December 31, 2015.

10. Line-of-Credit

The HSUS has a $20 million line of credit with Bank of New York Mellon. The line of credit accrues interest at the LIBOR Market Index Rate for one-month U.S. dollars plus 65 basis points (.201% as of December 31, 2015). The line of credit is secured by certain investments of The HSUS and is subject to certain covenants, as defined in the agreement. The outstanding balance at December 31, 2015 was $8,502,312. There were no payments made during 2015. The Line-of-Credit was fully repaid in January 2016. The line-of-credit can be terminated upon demand.

11. Medical and Prescription Insurance Plans

Under the medical and prescription partially self-funded insurance plan for current employees, The Society is responsible for claims up to $125,000 per participant annually and aggregate claims up to $4,237,670 annually. The Society is insured for claims in excess of $100,000 per participant up to $1,000,000 lifetime maximum. The Society has accrued for the expected cost of unpaid, reported claims and claims incurred but not yet reported. The accrual is based on historical claims experience and the number of employees. As of December 30, 2015, the accrual for the unpaid claims, net of insurance recoveries, totaled $712,500, which was included in accounts payable and accrued expenses on the consolidated statement of financial position.

12. Commitments

The Society leases certain office space and equipment under long-term non-cancelable operating leases. The leases provide for payment of increases in operating expenses, sales and use taxes, and insurance. Rental expense for the year ended December 31, 2015, was $726,118. As of December 31, 2015, the future minimum lease commitments under non-cancelable operating leases are the following:

Years Ended December 31,		
2016	$	1,049,413
2017		1,391,426
2018		1,358,988
2019		1,347,983
2020		1,269,725
Thereafter		14,755,247
	$	21,172,782

13. Contingencies

The Society is a defendant in various lawsuits wherein amounts are claimed. In the opinion of The Society's legal counsel and management, these suits are without substantial merit and are not expected to result in judgments, which, in the aggregate, would have a material adverse effect on The Society's consolidated financial statements.

14. Unrestricted Net Assets

Unrestricted net assets are available to finance the general operations of The Society. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of The Society, the environment in which it operates, and the purposes specified in its articles of incorporation. Voluntary resolutions by The Society's directors to designate a portion of its unrestricted net assets for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the governing board at any time, designated net assets are included with unrestricted net assets.

Unrestricted net assets are held by the following funds at December 31, 2015:

Board designated	
Investment fund	$ 78,537,954
Endowment fund	275,394
Black Beauty Ranch	777,573
Total board designated	79,590,921
Undesignated	75,887,676
Total unrestricted net assets	$ 155,478,597

15. Temporarily Restricted Net Assets

Temporarily restricted net assets result from gifts of cash and other assets with donor-imposed restrictions to (a) support of particular operating activities, (b) investment for a specified term, (c) use in a specified future period, or (d) acquisition of long-lived assets.

Changes in temporarily restricted net assets by restriction purpose for the year ended December 31, 2015 were as follows:

	Balance at December 31, 2014 (restated - see Footnote 22)	Additions (Reductions)	Releases From Restriction	Balance at December 31, 2015
Unitrust	$ 372,971	$ (60,243)	$ -	$ 312,728
Animal welfare programs	17,822,707	25,155,576	20,630,542	22,347,741
Scholarships	66,710	(4,933)	3,618	58,159
Support of other humane organizations	597,876	2,322,587	89,348	2,831,115
Endangered species	2,431,041			2,431,041
Doris Day Animal League	5,945,592	2,517,056	2,723,774	5,738,874
Fund for Animals	7,226,363	6,895,391	8,095,206	6,026,548
Humane Society International	2,014,050	5,912,274	3,713,257	4,213,067
Project Chimps	11,838	1,389,506	286,536	1,114,808
South Florida Wildlife Center	170,332	1,674,135	3,956,889	(2,112,422)
Wildlife Land Trust	4,508,829	3,026,656	3,994,715	3,540,770
	$ 41,168,309	$ 48,828,005	$ 43,493,885	$ 46,502,429

During 2015, assets were released from donor restrictions by The Society incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors, as follows:

Donor-specified program expenses of the organization	$ 36,817,784
Gifts to other humane organizations	6,527,735
Restricted fund investment expenses	148,366
	$ 43,493,885

16. Endowments

The Codification defines an endowment as an established fund of cash, securities, or other assets to provide income for the maintenance of a not-for-profit organization. Management has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of original donor-restricted contributions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, The Society classifies as permanently restricted net assets (a) the original value of permanently restricted contributions and (b) the discounted value of future permanently restricted contributions, net of allowance for uncollectible pledges.

The remaining portion of donor-restricted contributions is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, The Society considers the following factors in making a determination to appropriate or accumulate donor-restricted contributions:

- The purposes of the endowment fund
- The duration and preservation of the fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other available financial resources
- Investment policies

Investment and spending policies: The Society has adopted investment and spending policies for permanently restricted cash contributions that attempt to provide a predictable stream of funding to programs while maintaining purchasing power. All earnings from these funds are reflected as temporarily restricted net assets, until appropriated for program expenditures.

The Society's endowment (deficit) funds consist of the following as of December 31, 2015:

	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment (deficit) funds	$ (2,268,434)	$ 895,193	$ 30,740,204	$ 29,366,963
Board designated endowment funds	275,394	-	-	275,394
	$ (1,993,040)	$ 895,193	$ 30,740,204	$ 29,642,357

The endowment fund activity consists of the following for the year ended December 31, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of the year (restated - see Note 22)	$ (485,803)	$ 1,039,271	$ 30,765,204	$ 31,318,672
Investment return:				
Interest and dividends	90,441	7,742	-	98,183
Realized and unrealized (losses) on investments	(733,723)	(63,500)	-	(797,223)
Amounts appropriated for expenditure	(1,139,349)	(88,320)	(25,000)	(1,252,669)
Endowment net assets, end of year	$ (2,268,434)	$ 895,193	$ 30,740,204	$ 29,366,963

Permanently restricted net assets-fund categories at December 31, 2015:

Income producing assets; income is expendable to support the following:	
To defray operating expenses	$ 3,095,894
To award scholarships to State of Connecticut secondary school students	2,479
To be used for the best interests of the organization	14,272,959
To support other humane organizations	1,502,039
20% of income to be used to support the Norma Human Education and Nature Center, and 80% of income to be used for general purposes	2,375,639
To be used for the State of New Hampshire wildlife	127,820
To be used for the betterment of song birds	802,464
Non-income producing assets	
Land and easements held to preserve natural habitats for wildlife	8,560,910
Total permanently restricted net assets	$ 30,740,204

Income earned on investments in the permanently restricted net assets class is reported in the accompanying consolidated statement of activities and changes in net assets as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the nature of donor-imposed restrictions on such earnings. For all endowment funds with negative unrestricted net assets, all earnings are reflected as unrestricted net assets, until the net assets are replenished. At such time, such earnings from these funds will thereafter be reflected as temporarily restricted net assets.

17. Allocation of Joint Costs

The Society has allocated the joint costs of providing educational materials and activities that include a fundraising appeal. Since only those activities that include both programmatic and fundraising components are included in this allocation, the amounts below do not include all of the expenses presented in the consolidated statement of functional expenses. This allocation is based upon the percentage of material in each mailing or television advertising related to the particular services as determined by content analysis. Total costs for mailing pieces and television advertising spot that requested financial support and served other program or management functions were allocated as follows for the years ended December 31, 2015:

Programs	$ 18,804,236
Fundraising	22,679,533
Membership development	875,482
	$ 42,359,251

18. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Society reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that The Society has the ability to access.
- Level 2 - Inputs to the valuation methodology include
    - Quoted prices for similar assets or liabilities in active markets;
    - Quoted prices for identical or similar assets or liabilities in inactive markets;
    - Inputs other than quoted prices that are observable for the asset or liability;
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
    - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Assets held in The Society's defined benefit plan are also subject to the fair value measurement requirements and are separately disclosed (Note 21). Therefore, they are not included in the level summaries or tables presented below.

Fair value on a recurring basis - assets

The table below presents of assets measured at fair value on a recurring basis by level within the hierarchy:

	As of December 31, 2015				
	Assets Measured At Net Asset	Fair Value Hierarchy Level			
Description	Value	Level 1	Level 2	Level 3	Total
Hedge funds					
Equity long/short	$ 3,925,865	$ -	$ -	$ 41,846,047	$ 45,771,912
Fund of funds					
Equity long/shore	-	-	-	5,500,000	5,500,000
Global opportunities	12,236,376	-	-	-	12,236,376
Equity funds					
International	18,286,734	-	-	5,000,000	23,286,734
Private equity funds					
Debt securities	-	-	-	11,647,776	11,647,776
Global opportunities	7,842,505	-	-	6,721,593	14,564,098
Other	7,267,261	-	-	12,634,805	19,902,066
Fixed income securities					
U.S. government and agency obligations (AAA rated)	-	-	5,104,877	-	5,104,877
Corporate bonds (AAA to A rated)	-	-	1,338,322	-	1,338,322
Corporate bonds (BBB to B rated)	-	-	601,658	-	601,658
Asset backed fixed income securities (AAA rated)	-	-	54,423	-	54,423
General obligation and other (AAA and BBB rated)	-	-	185,649	-	185,649
Equity mutual funds					
Commodities	-	381,547	-	-	381,547
Large cap blend	-	6,231,748	-	-	6,231,748
Emerging markets	-	6,174,697	-	-	6,174,697
Global opportunities	-	10,587,114	-	-	10,587,114
Small cap blend	-	1,069,024	-	-	1,069,024
Real estate	-	458,334	-	-	458,334
Other	-	14,782,564	1,218,815	-	16,001,379
Other					
Fixed income mutual fund	-	2,807,755	-	-	2,807,755
Equity securities	-	10,212,364	-	-	10,212,364
Exchange traded fund	-	14,105,455	-	-	14,105,455
Other investments	-	-	-	1,330,000	1,330,000
Total fair value investments	$ 49,558,741	$ 66,810,602	$ 8,503,744	$ 84,680,221	$ 209,553,308

* Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

In accordance with the guidance for fair value measurements, The Society maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, The Society estimates prices based on available historical and near-term future price information that reflects its market assumptions.

For contracts with unique characteristics, The Society estimates fair value using a discounted cash flow approach deemed appropriate in the circumstances and applied consistently from period to period.

Changes in fair value levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Society's management evaluates the significance of transfers between levels based upon the nature of the investment. For the year ended December 31, 2015, there were no significant transfers in or out of Level 3.

Level 3 gains and losses

For assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3), a reconciliation is required of the beginning and ending balances, separately, for each major category of assets and liabilities, except for derivative assets and liabilities, which may be presented net. The table below represents the reconciliation of The Society's assets measured at fair value on a recurring basis using significant unobservable inputs:

	Level 3 Assets				
	Hedge Funds	Fund of Funds	Equity Funds	Private Equity Funds	Other Investments
Balance at January 1, 2015	$ 41,514,446	$ -	$ -	$ 26,506,547	$ 1,330,000
Purchases	1,000,000	5,500,000	5,000,000	8,278,453	-
Sales	-	-	-	(3,105,675)	-
Management fees	-	-	-	-	-
Realized and unrealized losses	(668,399)	-	-	(675,151)	-
Transfer between Levels 2 and 3	-	-	-	-	-
Balance at December 31, 2015	$ 41,846,047	$ 5,500,000	$ 5,000,000	$ 31,004,174	$ 1,330,000

The following table presents the amount of total losses for the corresponding year included in the change in net assets attributable to unrealized gains or losses relating to assets held at December 31, 2015:

Hedge funds	$ (1,058,884)
Fund of funds	(297,179)
Private equity funds	(229,073)
Equity funds	(4,974,847)
Other investments	(102,487)

The major categories of The Society's investments that are valued at net asset value or its equivalent or are measured at Level 3, including general information related to each category, are as follows at December 31, 2015:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds - equity long/short (a)	$ 45,771,912	$ -	Monthly, Quarterly and Bi-Annually	15-90 days
Fund of funds - (b)	17,736,376	-	Semi-Annually	60-65 days
Private equity funds (c)	46,113,940	3,864,430	None	N/A
Equity funds - international long/short (d)	23,286,734	-	Annually	60 days
Other investments (e)	1,330,000	-	None	N/A
	$ 134,238,962	$ 3,864,430		

(a) This category includes investments in hedge funds that invest both long and short in various domestic and international common stocks. Management of the various funds have the ability to shift from value to growth strategies, from small to large capitalization stocks, and from a net short position to a net long position. The fair value of the investments in this category has been estimated using the net asset value per share of the investments, or The Society's ownership interest in partners capital.

(b) This category includes an investment in a fund of funds that holds the majority of the funds' investments in non-U.S. common stocks, debt instruments, and diversified currencies. The fair value of the investment in this category has been estimated using the net asset value per share of the investment, or The Society's ownership interest in partners capital.

(c) This category includes several private equity funds. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the funds. As of December 31, 2015, it was probable that the investments in this category would be liquidated at an amount different from the net asset value of The Society's ownership interest in partners' capital. Therefore, the fair value of the investments in this category has been estimated using recent observable transaction information received from potential buyers of the investments. It is estimated that the underlying assets of the funds will be liquidated over five to eight years.

(d) This category includes investments in international equities invested to seek both long and short term growth. The fair value of the investments in this category has been estimated using net asset value per share of the investment, or The Society's ownership interest in partners capital.

(e) This balance reflects The Society's direct investments in various entities whose purpose aligns with the Society's mission. These organizations are privately held and are independently valued infrequently resulting in limited observation of the fair value of The Society's investment.

Quantitative information as of December 31, 2015 with respect to assets measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) follows:

Description	Fair Value	Principal Valuation Technique	Unobservable Inputs	Weighted Average
Hedge funds	$ 41,846,047	Market Approach	Values assigned to underlying funds/assets less liabilities	N/A
Fund of funds	5,500,000	Market Approach	Values assigned to underlying funds/assets less liabilities	N/A
Equity funds	5,000,000	Market Approach	Values assigned to underlying funds/assets less liabilities	N/A
Private equity funds	31,004,174	Market Approach	Values assigned to underlying funds/assets less liabilities	N/A
Other investments	1,330,000	Original Investment	Financial statements	N/A

Valuation Process for Level 3 Instruments

In estimating fair value of the investments in Level 3, management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

Fair Value on a Nonrecurring Basis

The fair value of The Society's cash and cash equivalents, accounts receivable, prepaid and other assets, accounts payable, notes payable accrued expenses approximate their carrying amounts due to the short maturity of these instruments.

The fair value of The Society's contributions receivables and annuity and split-interest liability is estimated using a discounted cash flow analysis based on the current U.S. Treasury rate for the applicable term.

The fair value of The Society's deferred compensation liability is based on the fair value of the deferred compensation assets and is therefore a level 2 instrument.

The following table presents the carrying values and the fair values of other significant financial assets and liabilities that qualify as financial instruments, determined in accordance with the authoritative guidance for fair value disclosures of financial instruments, at December 31, 2015:

	Level in Fair Value Hierarchy	Carrying Amount	Fair Value
Contributions receivable, net	2	$ 22,220,655	$ 23,147,411
Severance obligation	2	1,234,595	1,234,595
Deferred compensation liability	2	307,802	307,802
Annuity and split-interest liabilities	2	10,451,683	16,217,577

19. Concentrations

For the year ended December 31, 2015, one donor accounted for 10% of The Society's total revenue.

20. Related Parties

In May 2015, The HSUS entered into a Limited Liability Company Agreement with Whole Foods Market Services, Inc. (Whole Foods) for the creation of the United States of Animals LLC (the LLC). The LLC was formed for the purpose of financing the production of a feature-length documentary motion picture on the welfare of farm animals, and to distribute the film. The HSUS provided $1,000,000 of funding for the LLC in 2015, representing its share of costs for the project. Whole Foods contributed $2,000,000 to the project.

On January 6, 2015, The HSUS Chief Executive Officer (CEO) and The HSUS entered into an agreement with Harper Collins Publishers. The CEO is writing a book on how creative entrepreneurs, enlightened consumers, and technological innovations are driving the emergence of a humane economy with profound benefits to animals. The book is to be published by Harper Collins in 2016. Royalties are to be split equally between the CEO and The HSUS. The CEO and The HSUS each received advance payments against future royalties totaling $46,750 in 2015.

21. Fair Value Measurements - Defined Benefit Plan

Fair value on a recurring basis - pension assets

The table below presents the balances of the pension assets measured at fair value on a recurring basis by level within the hierarchy:

	As of December 31, 2015				
	Assets Measured At Net Value	Fair Value Hierarchy Level			
Description		Level 1	Level 2	Level 3	Total
Hedge funds					
Equity long/short	$ -	$ -	$ -	$ 9,701,775	$ 9,701,775
Equity funds					
International	6,652,660	-	-	1,000,000	7,652,660
Global opportunities	908,201	-	-	-	908,201
Cash and cash equivalents	-	267,261	-	-	267,261
Mutual funds					
Foreign large growth	-	937,876	-	-	937,876
Foreign large blend	-	2,768,780	-	-	2,768,780
Large blend	-	1,568,715	-	-	1,568,715
Large growth	-	1,668,180	-	-	1,668,180
Large blend	-	3,885,966	-	-	3,885,966
Other	-	1,885,705	-	-	1,885,705
Total fair value investments	$ 7,560,861	$ 12,982,483	$ -	$ 10,701,775	$ 31,245,119

* Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

Changes in fair value levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Community Foundation's management evaluates the significance of transfers between levels based upon the nature of the investment. For the year ended December 31, 2015, there were no significant transfers in or out of Level 3.

Level 3 gains and losses

For assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3), the Topic requires reconciliation of the beginning and ending balances, separately, for each major category of assets and liabilities, except for derivative assets and liabilities, which may be presented net. The table below represents the reconciliation of The Society's assets measured at fair value on a recurring basis using significant unobservable inputs:

	Level 3 Assets	
	Hedge Funds	Equity Funds
Balance at January 1, 2015	$ 9,060,500	$ -
Purchases	1,500,000	1,000,000
Sales	(600,000)	-
Management fees	-	-
Realized and unrealized (losses)	(258,725)	
Transfer between Levels 2 and 3	-	-
Balance at December 31, 2015	$ 9,701,775	$ 1,000,000

The following table presents the amount of total gains (losses) for the corresponding year included in the change in net assets attributable to unrealized gains or losses relating to assets held at December 31, 2015:

Private equity funds	$ 45,816
Hedge funds	(206,940)
Equity funds	(872,270)
Other investments	(51,759)

The major categories of The Society's investments that are valued at net asset value or its equivalent or are measured at Level 3, including general information related to each category, are as follows at December 31, 2015:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds - equity long/short (a)	$ 9,701,775	$ -	Monthly, Quarterly and Bi-Annually	15-90 days
Equity funds - international long/short (b)	8,560,861	-	Annually	60 days
	$ 18,262,636	$ -		

(a) This category includes investments in hedge funds that invest both long and short in various domestic and international common stocks. Management of the various funds have the ability to shift from value to growth strategies, from small to large capitalization stocks, and from a net short position to a net long position. The fair value of the investments in this category has been estimated using the net asset value per share of the investments, or The Society's ownership interest in partners capital.

(b) This category includes investments in international equities invested to seek both long and short term growth. The fair value of the investments in this category has been estimated using net asset value per share of the investment, or The Society's ownership interest in partners capital.

22. Restatement

The Society's consolidated financial statements for 2014 have been restated to properly reflect the release of net assets that occurred during and prior to the year ended December 31, 2014. The Society has historically taken a conservative approach to the interpretation of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of original donor-restricted contributions. The Society had annually adjusted permanently restricted net assets by the change in the Consumer Price Index (CPI). Any earnings in excess of the change in the CPI had been classified as temporarily restricted net assets. The effect of the restatement is to decrease the balance in the permanently restricted net assets to the original value of the donor-restricted contributions and to increase the balance in the unrestricted and temporarily restricted net assets as of December 31, 2014.

The following is a summary of the effect of this restatement balances reported in the 2014 consolidated financial statements:

Description	Balance as previously reported	Restatement	Restated amount
As of January 1, 2015:			
Unrestricted net assets	$ 150,409,371	$ 11,223,198	$ 161,632,569
Temporarily restricted net assets	40,756,573	411,736	41,168,309
Permanently restricted net assets	42,400,138	(11,634,934)	30,765,204

23. Subsequent Events

On January 7, 2016, The HSUS received the proceeds from the sale of its office building located in Washington D.C. The building's original cost was $2,070,470 which was included in Building and Improvements in Footnote 4 as of December 31, 2015. The proceeds of the sale totaled $11,000,000.

The Society evaluated subsequent events from the date of the consolidated statement of financial position through June 1, 2016, the date at which The Society's consolidated financial statements were issued. No other material subsequent events were identified for either recognition or disclosure except as discussed in Footnote 10.

Supplemental Schedules

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Independent Auditor's Report on the Supplemental Schedules

To the Board of Directors
The Humane Society of the United States
Washington, D.C.

Our audit of the consolidated financial statements of The Humane Society of the United States and Affiliates included in the preceding section of this report were conducted for the purpose of forming an opinion on those consolidated statements as a whole. The supplemental schedules presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BDO USA, LLP

June 1, 2016

The Humane Society of the United States and Affiliates

Consolidating Schedule of Financial Position

As of December 31, 2015	HSUS	DDAL	FFA	HSI	HSU	HSVMA	PC	SFWC	HSWLT	Eliminations	Consolidated
Assets											
Cash and cash equivalents	$ 11,465,816	$ 87,911	$ 82,386	$ 851,381	$ 48,817	$ 84,917	$ 623,418	$ 77,117	$ 221,574	$ -	$ 13,543,337
Investments	206,582,242	485,002	-	-	-	-	-	-	2,486,064	-	209,553,308
Investments to fund deferred compensation liability	307,802	-	-	-	-	-	-	-	-	-	307,802
Due from affiliates*	-	-	-	-	-	-	-	-	-	-	-
Accrued interest receivable	112,489	214	-	-	-	-	-	-	1,243	-	113,946
Prepaid expenses and other assets	3,798,617	-	-	112,380	-	-	-	-	-	(1,823,070)	2,087,927
Contributions, bequests and other receivables, net	16,814,260	115,852	2,865,376	2,084,295	38,908	19,483	1,417,930	120,303	162,178	(1,417,930)	22,220,655
Property and equipment, net	10,298,232	-	9,391,048	-	-	77,854	1,575,157	286,923	9,148,117	-	30,777,331
Total assets	$ 249,379,458	$ 688,979	$ 12,338,810	$ 3,048,056	$ 87,725	$ 182,254	$ 3,616,505	$ 484,343	$ 12,019,176	$ (3,241,000)	$ 278,604,306
Liabilities and Net Assets											
Liabilities											
Accounts payable and Accrued expenses	$ 16,138,201	$ 11,591	$ 223,154	$ 956,798	$ -	$ 97,645	$ 1,696	$ 170,107	$ 38,398	$ (1,417,930)	$ 16,219,660
Notes payable	-	-	1,823,070	-	-	-	-	-	-	(1,823,070)	-
Due to Affiliates*	861,908	(5,061,486)	4,266,038	54,442	-	-	-		(120,902)	-	-
Annuities and unitrusts	10,451,683	-	-	-	-	-	-	-	-	-	10,451,683
Line of credit	8,502,312	-	-	-	-	-	-	-	-	-	8,502,312
Realized and unrealized (losses)	1,234,595	-	-	-	-	-	-	-	-	-	1,234,595
Deferred compensation liability	307,802	-	-	-	-	-	-	-	-	-	307,802
Change in net assets before annuity and pension	9,167,024	-	-	-	-	-	-	-	-	-	9,167,024
Total liabilities	46,663,525	(5,049,895)	6,312,262	1,011,240	-	97,645	1,696	170,107	(82,504)	(3,241,000)	45,883,076
Net Assets (Deficit)											
Unrestricted											
Board Designated	79,590,921	-	-	-	-	-	-	-	-	-	79,590,921
Undesignated	72,964,935	-	-	(2,191,108)	87,725	84,609	-	-	-	4,941,515	75,887,676
Net assets, December 31, 2015	152,555,856	-	-	(2,191,108)	87,725	84,609			-	4,941,515	155,478,597
Temporarily restricted	27,980,783	5,738,874	6,026,548	4,227,924		-	3,614,809	314,236	3,540,770	(4,941,515)	46,502,429
Permanently restricted	22,179,294	-	-	-	-	-	-	-	8,560,910	-	30,740,204
Total net assets	202,715,933	5,738,874	6,026,548	2,036,816	87,725	84,609	3,614,809	314,236	12,101,680	-	232,721,230
Total liabilities and net assets	$ 249,379,458	$ 688,979	$ 12,338,810	$ 3,048,056	$ 87,725	$ 182,254	$ 3,616,505	$ 484,343	$ 12,019,176	$ (3,241,000)	$ 278,604,306

*Eliminated in consolidation.

The Humane Society of the United States and Affiliates

Consolidating Schedule of Actiivities and Change in Net Assets

Year Ended December 31, 2015	HSUS	DDAL	FFA	HSI	HSU	HSVMA	PC	SFWC	HSWLT	Eliminations	Consolidated
As of December 31, 2015											
Contributions	$ 137,463,679	$ 1,776,034	$ 3,116,919	$ 11,420,122	$ 749	$ 627,423	$ 1,389,471	$ 1,084,808	$ 2,851,728	$ -	$ 159,730,933
Bequests	22,104,374	740,545	3,705,499	327,620	-	136,852	-	436,936	75,928	-	27,527,754
Interest and dividends	1,807,523	1,559	-	7,034	-	-	4	-	94,232	-	1,910,352
Royalty income	1,383,751	-	-	5,542	-	-	-	-	-	-	1,389,293
Event income	2,188,977	-	44,697	38,362	10,600	1,277	-	15,677	-	-	2,299,590
Other income	1,165,042	11,731	28,277	19,004	-	-	32	78,166	61,190	-	1,363,442
Program support	-	-	-	7,872,022	1,665,148	5,131,014	2,500,000	2,426,658	-	(19,594,842)	-
Total support and revenue before transfer	166,113,346	2,529,869	6,895,392	19,689,706	1,676,497	5,896,566	3,889,507	4,042,245	3,083,078	(19,594,842)	194,221,364
Transfer	(58,550)	-	-	-	-	-	-	58,550	-	-	-
Total support and revenue	166,054,796	2,529,869	6,895,392	19,689,706	1,676,497	5,896,566	3,889,507	4,100,795	3,083,078	(19,594,842)	194,221,364
Expenses											
Program services	140,337,029	2,203,379	7,100,895	13,196,665	86,679	2,081,204	285,755	3,634,759	3,488,077	(19,594,842)	152,819,600
Management and general	3,772,142	60,356	350,559	305,214	99	88,936	501	238,649	89,573	-	4,906,029
Fundraising	28,859,208	460,039	643,752	2,844,187	-	13,468	280	83,481	417,065	-	33,321,480
Total expenses	172,968,379	2,723,774	8,095,206	16,346,066	86,778	2,183,608	286,536	3,956,889	3,994,715	(19,594,842)	191,047,109
Annuities and unitrusts	(6,913,583)	(193,905)	(1,199,814)	3,343,640	1,589,719	3,712,958	3,602,971	143,906	(911,637)	-	3,174,255
Realized and unrealized (losses) on Investments, net	(6,593,234)	(12,814)	-	-	-	-	-	-	(56,422)	-	(6,662,470)
Change in net assets before annuity and pension benefits adjustment	(13,506,817)	(206,719)	(1,199,814)	3,343,640	1,589,719	3,712,958	3,602,971	143,906	(968,059)	-	(3,488,215)
Annuity liablity change in valuation	(2,425,156)	-	-	-	-	-	-	-	-	-	(2,425,156)
Pension benefits	5,068,519	-	-	-	-	-	-	-	-	-	5,068,519
Change in net assets	(10,863,454)	(206,719)	(1,199,814)	3,343,640	1,589,719	3,712,958	3,602,971	143,906	(968,059)	-	(844,852)
Net Assets (Deficit) January 1, 2015 (as restated - see Note 22)	213,579,387	5,945,593	7,226,362	(1,306,824)	(1,501,994)	(3,628,349)	11,838	170,330	13,069,739	-	233,566,082
Net assets, December 31, 2015	$ 202,715,933	$ 5,738,874	$ 6,026,548	$ 2,036,816	$ 87,725	$ 84,609	$ 3,614,809	$ 314,236	$ 12,101,680	$ -	$ 232,721,230